

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Balance Sheet
As of 6/30/2006

	As of <u>6-30-06</u>	As of <u>6-30-05</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 654,595,767	\$ 604,847,705
INTERNATIONAL EQUITIES	377,166,245	399,906,454
DOMESTIC FIXED INCOME	314,813,187	201,123,853
INTERNATIONAL FIXED INCOME	81,912,666	71,304,366
REAL ESTATE	182,884,803	139,039,070
VENTURE CAPITAL	69,410,721	62,572,727
INVESTED CASH (NOTE 1)	<u>15,969,730</u>	<u>28,950,655</u>
 TOTAL INVESTMENTS	 1,696,753,119	 1,507,744,830
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	8,616,986	8,109,864
CONTRIBUTIONS/ASSESSMENTS REC	7,715,230	7,403,583
MISCELLANEOUS RECEIVABLE	<u>1,320</u>	<u>0</u>
 TOTAL RECEIVABLES	 16,333,536	 15,513,447
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	127,302,330	104,685,772
OPERATING CASH (NOTE 3)	9,634,510	8,648,006
DUE FROM OTHER AGENCIES (NOTE 4)	<u>19,504</u>	<u>20,170</u>
 TOTAL ASSETS	 <u>\$ 1,850,042,999</u>	 <u>\$ 1,636,612,225</u>
 LIABILITIES:		
ACCOUNTS PAYABLE	2,041,720	1,414,912
ACCRUED EXPENSES	316,761	284,129
SECURITIES LENDING COLLATERAL (NOTE 2)	127,302,330	104,685,772
DUE TO OTHER AGENCIES (NOTE 5)	<u>57,240</u>	<u>32,985</u>
 TOTAL LIABILITIES	 129,718,051	 106,417,798
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,530,194,427	1,374,679,677
CASH IN DURING YEAR (NOTE 6)	143,769,000	134,163,000
CASH OUT DURING YEAR (NOTE 7)	143,769,000	134,163,000
NET INCREASE (DECREASE)	<u>190,130,521</u>	<u>155,514,750</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>1,720,324,948</u>	 <u>1,530,194,427</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 1,850,042,999</u>	 <u>\$ 1,636,612,225</u>

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Profit and Loss Statement
For the Month Ended 6/30/2006

	Month Ended 6-30-06	Year-to-Date
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 7,345,702	\$ 42,792,622
SECURITIES LENDING INCOME	595,116	4,864,938
	<u>7,940,818</u>	<u>47,657,560</u>
GAIN ON SALE OF INVESTMENTS	21,585,532	284,275,254
LOSS ON SALE OF INVESTMENTS	<u>15,008,343</u>	<u>91,106,868</u>
NET GAINS (LOSSES) INVESTMENTS	6,577,189	193,168,386
INVESTMENT EXPENSES	2,288,072	10,713,108
SECURITIES LENDING EXPENSES	547,168	4,547,393
SIB ADMINISTRATIVE EXPENSES	<u>17,741</u>	<u>140,666</u>
NET INVESTMENT INCOME	11,665,026	225,424,779
NET APPREC (DEPREC) MARKET VALUE	(9,011,572)	(4,029,778)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(194,293)</u>	<u>(842,317)</u>
TOTAL INVESTMENT INCOME	2,459,161	220,552,684
CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	16,006,680	62,342,007
PURCHASED SERVICE CREDIT (NOTE 9)	792,507	3,225,589
PENALTY & INTEREST (NOTE 10)	<u>1,393</u>	<u>10,232</u>
TOTAL ADDITIONS	<u>19,259,741</u>	<u>286,130,512</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	7,960,310	91,397,868
PARTIAL LUMP SUM DISTRIBUTIONS PAID	399,179	420,224
REFUNDS TO MEMBER (NOTE 12)	<u>224,174</u>	<u>2,697,308</u>
TOTAL BENEFITS PAID	8,583,663	94,515,400
ADMINISTRATIVE EXPENSES		
RIO ADMINISTRATIVE CHARGE	133,471	1,484,591
MISCELLANEOUS EXPENSES	<u>0</u>	<u>0</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>133,471</u>	<u>1,484,591</u>
TOTAL DEDUCTIONS	<u>8,717,134</u>	<u>95,999,991</u>
NET INCREASE (DECREASE)	<u><u>\$ 10,542,607</u></u>	<u><u>\$ 190,130,521</u></u>

TEACHERS' FUND FOR RETIREMENT
Notes To Financial Statements
June 30, 2006

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2 OPERATING CASH

TFFR money market and checking accounts at the Bank of North Dakota.

NOTE 3 SECURITIES LENDING COLLATERAL

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 4 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 5 DUE TO OTHER AGENCIES

Amounts owed to RIO for administrative and direct costs charged.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

TEACHERS' FUND FOR RETIREMENT
Notes to Financial Statements
6/30/06

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.